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Written Testimony of Lisa Ruby  
On behalf of the Michigan Poverty Law Program

Committee on Families, Children and Seniors  
Hearing on HB 5560

March 1, 2018

Chairman Rendon and members of the Committee on Families, Children and Seniors, my name is Lisa Ruby. I am the public benefits attorney at the Michigan Poverty Law Program (MPLP). The Michigan Poverty Law Program is the statewide support center for legal services programs in Michigan. As the public benefits attorney at MPLP, I provide research, training, and litigation support to legal services offices statewide and engage in legislative and administrative advocacy. In providing support to legal services attorneys throughout the state, I regularly come in contact with attorneys working with recipients of food, medical and cash assistance and am familiar with the challenges these families face on a daily basis. I am here to express my concerns with the proposed bill and why it will negatively impact Michigan's most vulnerable families.

The proposed legislation states that recipients of cash assistance will not be able to use their Bridge cards to obtain cash from an ATM or point of sale (POS) device. This violates federal law, which is clear that recipients must be able to access funds in their accounts. In specific, the law states that plans for cash assistance must "ensure that recipients of assistance provided under the State program funded under this part have access to using or withdrawing assistance with minimal fees or charges, including an opportunity to access assistance with no fee or charges, and are provided information on applicable fees and surcharges that apply to electronic fund transactions involving the assistance, and that such information is made publicly available." 42 USC



602(A)(1)(a)(viii). Michigan's state plan is currently in compliance with federal law.<sup>1</sup> It states under "TANF EBT Requirement" that "Clients access their FIP benefits using their Bridge card and PIN at automated teller machines (with minimal to no fees or charges) and at point of sale (POS) devices at retailers ...", going on to say that "Michigan clients have adequate access to their FIP benefits by using the Bridge card." *TANF State Plan effective January, 2017*. The state may not prevent cash assistance recipients from obtaining cash benefits.

The proposed legislation is duplicative and unnecessarily restrictive. Michigan state law already prohibits using "family independence program assistance to purchase lottery tickets, alcohol, or tobacco, for gambling, or for illegal activities or any other nonessential items." MCL 400.57e(1)(i). State policy also mandates how cash assistance can be used. The Michigan Department of Health and Human Services (DHHS) is the agency that administers the cash assistance (FIP, RCA and SDA) programs.<sup>2</sup> DHHS's relevant policies, contained in the Bridges Eligibility Manual (BEM) at 228, 229, 230A and 515, prohibit the use of cash assistance to purchase lottery tickets, alcohol, or tobacco, and also state that it may not be used for gambling, illegal activities, massage parlors, spas, tattoo shops, bail-bond agencies, adult entertainment, cruise ships or other nonessential items.

In addition, BEM 515 states that cash assistance is to be used for "shelter, heat, utilities, clothing, food and items for personal care." The proposed legislation reduces these approved uses. It limits it to spending on rent, child care, and products purchased at "state-approved grocery stores". This ignores the need to purchase clothing and personal care items. Recipients of cash assistance are extremely low income and have no other

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<sup>1</sup> [http://www.michigan.gov/documents/dhs/Amended\\_TANF\\_State-Plan\\_October-2012\\_405462\\_7.pdf](http://www.michigan.gov/documents/dhs/Amended_TANF_State-Plan_October-2012_405462_7.pdf)

<sup>2</sup> The state cash assistance programs are FIP: Family Independence Program, RCA: Refugee Cash Assistance, and SDA: State Disability Assistance.

money to spend on basic necessities. Limiting their ability to make these purchases will further harm a population already struggling to make it day to day.

Cash assistance provides crucial, temporary support to eligible families and to individuals with disabling impairments. It is time-limited and, for the able-bodied, has work participation requirements. In order to qualify for these benefits, households must be in deep poverty. At \$403/month for a family of two, or \$200/month for a disabled individual, the income provided is less than 30% of the Federal Poverty Level (FPL).<sup>3</sup> Further restricting how these funds can be accessed or spent will not lift people out of poverty. It stigmatizes welfare recipients by creating the impression that they are gaming the system when there is no evidence of misuse or abuse of these funds. It is agreed that solutions are needed to help lift Michigan residents out of poverty, but this legislation does not further that goal.

Thank you for the opportunity to submit these comments. Please contact me if you have any questions.

Lisa Ruby  
Staff Attorney

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<sup>3</sup> FPL for a household of one is \$1,011/month, \$1,371 for a household of two.

